

OFFICE OF THRIFT SUPERVISION

Approval of Holding Company Application, Conversion to Federal Mutual Holding Companies and Election Under Section 10(l) of the Home Owners' Loan Act

Order No.: 2001-75

Date: December 3, 2001

Docket No.: H-3782, H-3783, N-2439

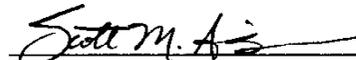
Metuchen Savings Bank, Metuchen, New Jersey (Savings Bank), has submitted an election to be treated as a "savings association" for purposes of 12 U.S.C. § 1467a, pursuant to 12 U.S.C. § 1467a(l). Metuchen, MHC (MHC) and Metuchen Bancorp, Inc. (Holding Company) have applied to the Office of Thrift Supervision (OTS) for approval to convert to federally chartered mutual holding companies as described in the application, pursuant to § 10(o) of the Home Owners' Loan Act (HOLA), and to acquire the Bank, pursuant to § 10(e) of the HOLA, 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3. (Collectively, the foregoing are referred to herein as the Applications.)

OTS has considered the applications under the standards set forth in 12 U.S.C. §§ 1467a(e), 1467a(l), and 1467a(o), and 12 C.F.R. § 574.7 and Part 575. In addition, OTS has considered the holding company application under the Community Reinvestment Act, 12 U.S.C. §§ 2901, *et seq.*, and OTS regulations thereunder, 12 C.F.R. Part 563e. OTS has considered the digest by the OTS Northeast Regional Office, a legal opinion by the Business Transactions Division, and an analysis by the Office of Examination Policy (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS has determined that the applications satisfy all applicable statutory and regulatory criteria with the exception of 12 C.F.R. §§ 575.6(a) and 575.6(b), provided that the conditions set forth below are satisfied. Pursuant to 12 C.F.R. §§ 575.1(b), the OTS hereby waives the applicability of 12 C.F.R. §§ 575.6(a) and 575.6(b). Accordingly, the Applications are hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (Regional Director):

1. The MHC, the Holding Company, and the Savings Bank must receive all required regulatory approvals prior to consummation of the transaction with copies of all such approvals provided to the Regional Director;
2. The transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order;

3. On the business day prior to consummation of the transaction, the chief financial officers of the MHC, the Holding Company, and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the MHC, the Holding Company, or the Savings Bank, as disclosed in the Applications. If additional information having a material adverse bearing on any feature of the Applications is brought to the attention of the MHC, the Holding Company, the Savings Bank, or the OTS since the date of the financial statements submitted with the applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
4. On the business day prior to consummation of the reorganization and acquisition, the Savings Bank must submit to the Regional Director a certification stating that the reorganization has been approved by the majority of the total votes eligible to be cast at the special meeting of members of the Savings Bank called to vote on the transaction;
5. Upon completion of the organization of the interim federal savings bank, the board of directors of the interim savings bank, the Mutual Holding Company, the Stock Holding Company, and the Savings Bank must ratify the Plan and Agreement of Reorganization; and
6. The MHC, the Holding Company, and the Savings Bank must advise the Regional Director in writing within five calendar days after the effective date of the transaction: (a) of the effective date of the transaction; (b) of the exact number of shares of stock of the Savings Bank acquired by the Stock Holding Company and the exact number of shares of stock of the Stock Holding Company acquired by the Mutual Holding Company; (c) that the interim federal savings bank did not open for business; and (d) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications, the Plan of Reorganization, and this Order.

By order of the Director of the Office of Thrift Supervision, or her designee,
effective December 3, 2001.


Scott M. Albinson
Managing Director
Office of Supervision